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ABSTRACT

One element of what is widely held to be a crisis in U.S. competitiveness in global markets is cultural insularity. The persistent lack of familiarity with the language and culture of potential customers and clients impedes the efforts of representatives of U.S. business and industry to compete in the international marketplace. In order to develop a genuine international perspective, one that appreciates cultural uniqueness, students should be exposed to cultural traditions significantly different from their own, and the liberal arts setting of colleges and universities is particularly well-suited to this task. An international perspective will reduce the number of episodes of corporate and personal faux pas, that may be interpreted as forms of cultural disrespect, by inducing respect for cultural diversity and, therefore, local tastes, interests, and predilections. (DB)

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# THE LIBERAL ARTS AND THE CULTURAL CONTEXT OF INTERNATIONAL BUSINESS

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The size of the body of literature calling for increased international expertise in business in order to sustain or regain American competitiveness abroad has grown geometrically since at least the mid-1970's. The literature ranges in type from official publications issued by Federal and state agencies and commissions, to foundation reports and position papers, to scholarly books and articles. The authors of this literature vary slightly in focus. Some focus on the role of American business in upholding the national interest, some focus on corporate faux pas in the international marketplace, and some focus on the inability of a sizable number of individual representatives of American business to cope while on overseas assignment. But regardless of focus, they sound a common theme, a theme that has been a virtual axiom throughout the 1980's: America has lost the competitive edge in business, industry and technology, at least in part, because of the detrimental effects of cultural insularity. The persistent lack of familiarity with the language and culture of potential customers and clients impedes efforts of representatives of American business and industry to compete in the international marketplace.

Authors who sound the theme of American cultural insularity and illiteracy tell stories of marketing mistakes made by automobile manufacturers, ink distributors and food processors because of ignorance of, or even worse, insensitivity towards, tastes, interests and predilections of local cultures.[1] Or they report that the rate of failure on assignment abroad of representatives of American multinational corporations far exceeds the rate of failure of their European and Japanese counterparts because Americans frequently are unprepared to live and operate effectively in a cultural environment significantly different from their own.[2]

Of course, we must avoid hasty judgments and generalizations based on anecdotal evidence of the lack of international expertise and sophistication in American business. Expertise and sophistication do exist, and while in some cases slippage in the American share of the international market is attributable to a lack of international sophistication--for example, when a marketing executive is unaware that his slogan has embarrassing or unpleasant connotations when translated into another language--it is unlikely that that is true in other cases, whether the slippage is relatively slight, as in pharmaceuticals, or rather substantial, as in semiconductors.[3] Furthermore, while the American share of the international market has slipped in some areas of production through the 1980's, in other areas it has increased. One case in point is the aircraft industry.[4] And in other areas, while the share of the market has remained constant, the volume of exports has increased. This is true of the textile industry, where the volume of exports increased by 14% in 1987 while the share of the total market remained constant at 6%.[5] Finally, the future of American competitiveness looks bright through some eyes. A recent article in Fortune begins with the sentence: "So suddenly that it almost defies belief, the US has seized the lead in the race for global competitiveness."[6]

So the results of American efforts abroad are mixed, with gains and losses. And the factors responsible for both are varied and complex. In assessing the international competitiveness of American business and industry one would be naive to ignore the effects of the fluctuating value of the dollar, of the international debt crisis, or of the attitude towards research and development in the United States and abroad. But it would be equally as naive to overlook the level of cultural familiarity as an important factor, and increasingly

important factor, in determining success or failure in the international marketplace.

The most explicit evidence that cultural illiteracy and insensitivity lead to what David Ricks aptly calls big business blunders is found in the dozens of anecdotes about marketing and advertising mistakes made around the world by American (and other) exporters. These marketing faux pas are the most conspicuous examples of the detrimental effects on the corporate level of lack of familiarity with and appreciation for a host culture. But the lack of cultural familiarity can be just as unfortunate on the personal level, as reported by Rosalie Tung in her book entitled The New Expatriates: Managing Human Resources Abroad. She reports that for some American multinationals their representatives have a failure rate as high as 30%: 30% of the representatives sent abroad are dismissed or recalled before the end of their assignments. In contrast, the failure rate among European and Japanese multinationals is less than 15%, and in most cases less than 5%. The primary reason for the high rate of success enjoyed by European and Japanese multinationals is the refined international perspective of their employees, a perspective marked by an appreciation for local cultural variables and one that enables employees to adjust with relative ease to new cultural environments. This perspective, Tung notes, is inherent in the European case and is acquired by the Japanese. In far too many cases, for American multinationals and their representatives, it is neither.[7]

A genuine international perspective draws attention to the multi-national, multi-cultural character of the world, to a world comprising discrete national and cultural traditions and experiences. For purposes of clarity and emphasis it is useful to contrast the international perspective with the global perspective:

according to the latter we should see the world holistically, as a "global society" or "global village." Rather than emphasize the discrete and unique, we should focus on universal values, systems and tastes, on what transcends, or allegedly transcends, group identity. And instead of encouraging us to emphasize cultural tradition--the root of cultural uniqueness in the present--the concept of the global perspective suggests preoccupation with the current world scene and with contemporary global issues. These are all valid and crucial areas of inquiry and study, but it is legitimate to ask whether they should take precedence over the multi-cultural nature of the world. Global problems and issues do exist, and some of them threaten our very survival, but cultural differences also exist, and we are not going to resolve the great global issues of the day by glossing over the differences. In many respects the differences are far more prominent than what is shared, but this is not to say that the differences cannot be transcended. Before we can transcend the differences, however, we must learn to understand and appreciate cultural uniqueness, deeply rooted in the past and expressed in the contemporary world. We can do that be tracing what is unique about a particular culture from its historical roots. If we do that with only one cultural tradition apart from our own, our eyes will be opened to new possibilities and perspectives. We may learn that a particular culture merits respect because its achievements are no less significant than those of our own. From exposure either to the great Indian or Islamic civilizations, for example, we should learn that their respective arts, literature, philosophy and religion reached a level of development and refinement beyond our own in some respects. And exposure to Chinese civilization should teach us that scientific and technological "underdevelopment" should not be mistaken for cultural or social immaturity.

A genuine international perspective, then, is characterized by an appreciation for cultural diversity and achievement. Once induced, this perspective should displace the smugness that often marks our attitude towards the outside world--a smugness that has led directly to mistakes on the corporate and personal levels--and should guide our efforts to cope in and with the international community, whether in the national interest or in the interest of a single corporate entity.

To develop a genuine international perspective Americans should start with exposure to a cultural tradition significantly different from their own, with its roots in Athens, a cultural tradition identified with a civilization with roots in the Middle East, South or East Asia. Because of the way knowledge is organized in American colleges and universities this means that the development of a genuine international perspective should start in a liberal arts setting, where courses on the language and literature, institutions and values of various cultures are taught. Ideally this should start at the pre-collegiate level and continue through the undergraduate years. But because of lack of interest or opportunity, the large majority of students graduate from college and enter the workplace or graduate or professional schools without exposure to a cultural tradition beyond that of the United States or Western Europe. It is safe to say that the preponderance of students in graduate professional schools are in that category. Because of burgeoning interest in international education there is reason to be optimistic about prospects for change, but change will come slowly. In the meantime, when professions, particularly law, business and engineering, should have access to an expanding pool of students with a refined international perspective, the pool will remain small unless the

professional schools themselves take extra-ordinary action. To meet the long term challenges of the international community, schools of business (and other professional schools) should offer their students access to liberal arts courses on, for example, Chinese or Indian culture, not in place of but as a complement to courses on international finance, management, and the like. Only then will the curricula truly be 'internationalized.'

There is no single model for complementing traditional business curricula with liberal arts courses on culture, but the model being developed at the University of Virginia is worthy of note. A three year MBA/MA program in Asian Studies enables students to concentrate on China or Japan as well as on management studies. In addition to the appropriate language, program participants enroll in an array of courses on East Asia in the Graduate School of Arts and Sciences before spending a summer and fall semester of the ensuing academic year--a total of six or seven months--on site in East Asia. The program is designed to produce future business leaders with an area 'specialty' and presumably a highly refined international perspective induced by classroom and first hand exposure to an East Asian culture. But their numbers are small--the first four graduating classes total 16 students--and as a consequence they make only a ripple in the pool of internationally-minded candidates for positions in the corporate world.

To complement the MBA/MA program and to expose as many graduate business students as possible to an Asian cultural tradition an elective course on Chinese culture has been introduced into the second year curriculum of the graduate school of business administration (the Darden School). The course is entitled "The Cultural Context of International Business: East Asia." (The course title

notwithstanding, the focal point is China with occasional references to Korea, Japan and Vietnam.) The ultimate objective of the course is inspire students to sharpen the international perspective, or to develop it where it does not already exist. As they are introduced to the unique features of Chinese and East Asian culture, students are encouraged to read from the specific to the general and to think in terms of a world comprising discrete national and cultural traditions, and of what that implies for American business interests abroad.

Course content ranges from attitudes towards education, work, leisure and authority to such concepts as freedom of speech and expression, and democracy. But the purpose of the course is less to describe contemporary attitudes and values than to explain how they came into existence. Thus the relationship between tradition and modernity, continuity and change between past and present, are themes that tie all course topics together. And the students are encouraged to bring to bear on topics under consideration lessons learned in other courses in the MBA curriculum, in this way to overcome the fragmentation of learning that often characterizes education in American institutions of higher learning.

Above all else, students are encouraged to consider course topics in the spirit of liberal arts inquiry. The liberal arts normally are associated with undergraduate general education, but they should not be ignored in our efforts on the level of professional school education to understand the cultural context of international business. Unfortunately, the liberal arts elude precise definition. The complexity of the issue is suggested by a series of questions posed by the authors of a book length study entitled A New Case for the Liberal Arts. In posing the questions the authors draw attention to one of the chief

features of liberal arts inquiry. They ask:

> What exactly is a liberal arts education? Is it the study of certain core disciplines or bodies of knowledge. . . ? Is it any course that is consciously and deliberately interdisciplinary or multi-disciplinary? Or is it how learning occurs rather than what is learned--concepts rather than fact, independent inquiry rather than rote learning?[8]

The answer to the final question is yes: conceptual learning is one of the hallmarks of liberal arts inquiry. Thus the thrust of "The Cultural Context of International Business" is not the introduction of facts about contemporary China, but the introduction of concepts that reveal how the Chinese feel about themselves and others, how they organize themselves and, but inference, how they expect others to behave while living and working in China.

Elsewhere in A New Case for the Liberal Arts the authors provide a glimpse of two more salient features of the liberal arts when they say that "liberal arts students are supposed to develop their powers of reflection upon broad vistas of human knowledge in order to become 'liberally'. . . educated."[9] This statement draws attention to the process and to the scope of liberal arts inquiry. But it falls slightly short of the mark, and might better read "liberal arts students are supposed to develop their powers of critical reflection upon the broadening vistas of human knowledge" emphasizing the careful and critical scrutiny under which subject matter should be placed in a liberal arts education, and the dynamic quality of liberal arts inquiry, constantly expanding to encompass new areas of knowledge. This dynamic quality has been described aptly as the consistent endeavor of the liberal arts tradition "to be comprehensive in its inquiry."[10] The subject matter of the liberal arts have

varied considerably over time as intellectual horizons, the horizons of inquiry, have expanded, but in the authentic liberal arts tradition that subject matter always has been subjected to careful and critical analysis. Thus "The Cultural Context of International Business" is designed to encourage graduate business students to expand their intellectual horizons to include a cultural tradition significantly different from their own, and to analyze it with a critical eye.

When a cultural tradition and its modern expression are subjected to the critical reflection and analysis of liberal arts inquiry their distinctive features and qualities become discernible, even at a distance and from the classroom. This is the first step in the development of a genuine international perspective. The next step is to enlarge and refine that perspective by approaching each national tradition, each market or potential market, in the same spirit of reflection and analysis. Once done, this will reduce the number of episodes of corporate and personal faux pas--which may be interpreted as forms of cultural disrespect--by inducing respect for cultural diversity and therefore local tastes, interests and predilections. And it will alert us to the importance of exercising caution in dealing with potential customers and clients, whether on site or from the corporate headquarters. To paraphrase the title of a recent research report issued by the Conference Board, this is another key to U. S. competitiveness.[11]

## END NOTES

1. See, for example, David A. Ricks. Big Business Blunders: Mistakes in Multinational Marketing. Homewood, Ill.: Dow Jones-Irwin, 1983.

2. See Rosalie L. Tung. The New Expatriates: Managing Human Resources Abroad. Cambridge: Ballinger Publishing Co., 1988; Rosalie L. Tung, "Selection and Training Procedures for US, European and Japanese Multinationals," California Management Review, 25.1 (1982), pp. 57-71.

3. Between 1980 and 1986 the US share of world exports in pharmaceuticals slipped from 13.6% to 13.5%; in semiconductors, the slippage was from 22.4% to 18.3%. See Sylvia Nasar, "America's Competitive Revival," Fortune, 117.1 (Jan. 4, 1988), p. 47.

4. The US share of world exports in aircraft increased from 46.7% to 47.2% between 1980 and 1986. Nasar, "America's Competitive Revival," p. 47.

5. Nasar, "America's Competitive Revival," p. 49.

6. Nasar, "America's Competitive Revival," p. 44.

7. Tung. The New Expatriates: Managing Human Resources Abroad, pp. xi-xii, 2-26, 161-172.

8. D. Winter, D. McClelland and A. Stewart. A New Case for the Liberal Arts. San Francisco: Jossey-Bass, 1981, p. 1.

9. Winter, et. al. A New Case for the Liberal Arts, p. 1.

10. T. Coburn, "Nattering Nabobs, Habits of Mind, Persons in Relations: The Future of Liberal Arts Education in a Specialized Society," Liberal Education, 71.1 (1985), p. 7.

11. The Conference Board. Keys to US Competitiveness. Research Project #907. New York, 1988.